



General Assembly

Substitute Bill No. 5912

February Session, 2008

* _____HB05912HS_____031408_____*

AN ACT CONCERNING THE REPEAL OF THE EMERGENCY ASSISTANCE PROGRAM ELIMINATED BY THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 19a-659 of the 2008 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective from passage*):

4 As used in [sections 19a-659] this section, sections 19a-662, 19a-669
5 to 19a-670a, inclusive, as amended by this act, 19a-671 of the 2008
6 supplement to the general statutes, 19a-671a, 19a-672 of the 2008
7 supplement to the general statutes and 19a-676:

8 (1) "Office" means the Office of Health Care Access;

9 (2) "Hospital" means any hospital licensed as a short-term acute care
10 general or children's hospital by the Department of Public Health,
11 including John Dempsey Hospital of The University of Connecticut
12 Health Center;

13 (3) "Fiscal year" means the hospital fiscal year consisting of a twelve-
14 month period commencing on October first and ending the following
15 September thirtieth;

16 (4) "Base year" means the fiscal year consisting of a twelve-month
17 period immediately prior to the start of the fiscal year for which a
18 budget is being determined or prepared;

19 (5) "Affiliate" means a person, entity or organization controlling,
20 controlled by, or under common control with another person, entity or
21 organization;

22 (6) "Uncompensated care" means the total amount of charity care
23 and bad debts determined by using the hospital's published charges
24 and consistent with the hospital's policies regarding charity care and
25 bad debts which have been approved by, and are on file at, the office;

26 (7) "Medical assistance" means (A) the programs for medical
27 assistance provided under the state-administered general assistance
28 program or the Medicaid program, including the HUSKY Plan, Part A,
29 or (B) any other state-funded medical assistance program, including
30 the HUSKY Plan, Part B;

31 (8) "CHAMPUS" or "TriCare" means the federal Civilian Health and
32 Medical Program of the Uniformed Services, as defined in 10 USC
33 Section 1072(4), as from time to time amended;

34 (9) "Primary payer" means the payer responsible for the highest
35 percentage of the charges for a patient's inpatient or outpatient
36 hospital services;

37 (10) "Case mix index" means the arithmetic mean of the Medicare
38 diagnosis related group case weights assigned to each inpatient
39 discharge for a specific hospital during a given fiscal year. The case
40 mix index shall be calculated by dividing the hospital's total case mix
41 adjusted discharges by the hospital's actual number of discharges for
42 the fiscal year. The total case mix adjusted discharges shall be
43 calculated by (A) multiplying the number of discharges in each
44 diagnosis-related group by the Medicare weights in effect for that
45 same diagnosis-related group and fiscal year, and (B) then totaling the
46 resulting products for all diagnosis-related groups;

47 (11) "Contractual allowances" means the difference between hospital
48 published charges and payments generated by negotiated agreements
49 for a different or discounted rate or method of payment;

50 (12) "Medical assistance underpayment" means the amount
51 calculated by dividing the total net revenue by the total gross revenue,
52 and then multiplying the quotient by the total medical assistance
53 charges, and then subtracting medical assistance payments from the
54 product;

55 (13) "Other allowances" means the amount of any difference
56 between charges for employee self-insurance and related expenses
57 determined using the hospital's overall relationship of costs to charges;

58 (14) "Gross revenue" means the total gross patient charges for all
59 patient services provided by a hospital;

60 (15) "Net revenue" means total gross revenue less contractual
61 allowance, less the difference between government charges and
62 government payments, less uncompensated care and other allowances,
63 plus uncompensated care program disproportionate share hospital
64 payments from the Department of Social Services;

65 (16) "Emergency assistance to families" means assistance to families
66 with children under the age of twenty-one who do not have the
67 resources to independently provide the assistance needed to avoid the
68 destitution of the child, [and which is authorized by the Department of
69 Social Services pursuant to section 17b-107 and is not otherwise
70 funded.]

71 Sec. 2. Section 19a-669 of the 2008 supplement to the general statutes
72 is repealed and the following is substituted in lieu thereof (*Effective*
73 *from passage*):

74 Effective October 1, 1993, and October first of each subsequent year,
75 the Secretary of the Office of Policy and Management shall determine
76 and inform the Office of Health Care Access of the maximum amount

77 of disproportionate share payments and emergency assistance to
78 families eligible for federal matching payments under the [Medical
79 Assistance Program or the Emergency Assistance to Families Program]
80 medical assistance program pursuant to federal statute and regulations
81 and subdivisions (2) and (28) of subsection (a) of section 12-407 of the
82 2008 supplement to the general statutes, subdivision (1) of section 12-
83 408, subdivision (5) of section 12-412 of the 2008 supplement to the
84 general statutes, section 12-414, section 19a-649 of the 2008 supplement
85 to the general statutes and this section and the actual and anticipated
86 appropriation to the medical assistance disproportionate share-
87 emergency assistance account authorized pursuant to sections 3-114i
88 and 12-263a to 12-263e, inclusive, subdivisions (2) and (29) of
89 subsection (a) of section 12-407 of the 2008 supplement to the general
90 statutes, subdivision (1) of section 12-408, section 12-408a, subdivision
91 (5) of section 12-412 of the 2008 supplement to the general statutes,
92 subdivision (1) of section 12-414 and sections 19a-646 of the 2008
93 supplement to the general statutes, 19a-659 of the 2008 supplement to
94 the general statutes, as amended by this act, 19a-662, 19a-669 to 19a-
95 670a, inclusive, as amended by this act, 19a-671 of the 2008 supplement
96 to the general statutes, 19a-671a, 19a-672 of the 2008 supplement to the
97 general statutes, 19a-672a, 19a-673 and 19a-676, and the amount of
98 emergency assistance to families' payments to eligible hospitals
99 projected for the year, and the anticipated amount of any increase in
100 payments made pursuant to any resolution of any civil action pending
101 on April 1, 1994, in the United States district court for the district of
102 Connecticut. The Department of Social Services shall inform the office
103 of any amount of uncompensated care which the Department of Social
104 Services determines is due to a failure on the part of the hospital to
105 register patients for emergency assistance to families, or a failure to bill
106 properly for emergency assistance to families' patients. If during the
107 course of a fiscal year the Secretary of the Office of Policy and
108 Management determines that these amounts should be revised, said
109 secretary shall so notify the office and the office may modify its
110 calculation pursuant to section 19a-671 of the 2008 supplement to the
111 general statutes to reflect such revision and its orders as it deems

112 appropriate and the Commissioner of Social Services may modify said
113 commissioner's determination pursuant to section 19a-671 of the 2008
114 supplement to the general statutes.

115 Sec. 3. Section 19a-670 of the 2008 supplement to the general statutes
116 is repealed and the following is substituted in lieu thereof (*Effective*
117 *from passage*):

118 (a) Within available appropriations, the Department of Social
119 Services may make semimonthly payments to short-term general
120 hospitals in an amount calculated pursuant to section 19a-671 of the
121 2008 supplement to the general statutes, provided the total amount of
122 payments made to individual hospitals and to hospitals in the
123 aggregate shall maximize the amount qualifying for federal matching
124 payments under the medical assistance program [and the emergency
125 assistance to families program] as determined by the Department of
126 Social Services in consultation with the Office of Policy and
127 Management. No payments shall be made to any hospital exempt from
128 taxation under chapter 211a. The payments shall be medical assistance
129 disproportionate share payments, including grants provided pursuant
130 to section 19a-168k, to the extent allowable under federal law. [In
131 addition, payments may be made for authorized emergency assistance
132 to needy families with dependent children in accordance with Title
133 IV-A of the Social Security Act to the extent allowable under federal
134 law.] The payments shall not be part of the routine medical assistance
135 inpatient hospital rate determined pursuant to section 17b-239 of the
136 2008 supplement to the general statutes. Payments shall be made on an
137 interim basis during each year and a final settlement shall be
138 calculated pursuant to section 19a-671 of the 2008 supplement to the
139 general statutes by the office for each hospital after the year end based
140 on audited data for the hospitals. The Commissioner of Social Services
141 may withhold payment to a hospital which is in arrears in remitting its
142 obligations to the state.

143 (b) (1) For the hospital fiscal year 1994, and subsequent fiscal years,
144 the commission or its designated representative shall conduct a cash

145 audit of the projected amount of uncompensated care, including
146 emergency assistance to families and underpayments against the
147 actual receipts of the hospital. In addition, the office or its designated
148 intermediary shall conduct an audit of the revenues, deductions from
149 revenue, discharges, days or other measures of patient volume for
150 hospitals for the purposes of termination and final settlement of
151 uncompensated care pool assessments and payments for the period
152 ending March 31, 1994.

153 (2) For the six-month period ending September 30, 1994, and for
154 each subsequent fiscal year, the office or its designated intermediary
155 shall conduct an audit of the revenues, deductions from revenue,
156 discharges, days or other measures of patient volume for hospitals for
157 the purposes of determining disproportionate share payments.
158 Included in this audit shall be a comparison of projected and actual
159 levels of medical assistance underpayment and uncompensated care.

160 (3) The total payments from the Department of Social Services
161 medical assistance disproportionate share-emergency assistance
162 account established pursuant to section 38 of public act 94-9* and made
163 in accordance with sections 19a-670 to 19a-672, inclusive, as amended
164 by this act, during the fiscal year less any payments for emergency
165 assistance to families, and less any payments resulting from the
166 resolution of or court order entered in any civil action pending on
167 April 1, 1994, in the United States District Court for the district of
168 Connecticut, shall be reallocated to hospitals based on actual audited
169 levels of medical assistance underpayment, grants pursuant to section
170 19a-168k and uncompensated care to determine the final payment for
171 the fiscal year.

172 (4) If the final payment for a hospital for the hospital fiscal year, as
173 determined as a result of this audit, is less than the total payments the
174 hospital received during the same fiscal year excluding any prior year
175 audit adjustment, then the current hospital fiscal year remaining
176 semimonthly payments shall each be reduced by an amount equal to
177 the total excess payment divided by the number of remaining

178 semimonthly payments for the current hospital fiscal year.

179 (5) If the final payment for a hospital for the hospital fiscal year, as
180 determined as a result of this audit, is greater than the total payments
181 the hospital received during the same fiscal year, then the current
182 hospital fiscal year remaining semimonthly payments shall each be
183 increased by an amount equal to the total excess payment divided by
184 the number of remaining semimonthly payments for the current
185 hospital fiscal year.

186 (6) The office shall, by June 1, 1995, and June first of each
187 subsequent year, report the results of such audit for the previous
188 hospital fiscal year to the joint standing committee of the General
189 Assembly having cognizance of matters relating to public health. The
190 report shall include information concerning the financial stability of
191 hospitals in a competitive market.

192 (7) Notwithstanding the provisions of subdivisions (3) to (5),
193 inclusive, of this subsection, no adjustment of disproportionate share
194 payments to hospitals for purposes of final settlement shall be
195 implemented for the hospital fiscal years commencing October 1, 1997,
196 and October 1, 1998, provided every hospital subject to final settlement
197 for said fiscal years submits documentation in writing of its agreement
198 to forego such final settlement to the Commissioner of Social Services
199 in a form acceptable to the commissioner.

200 (8) Notwithstanding the provisions of subdivisions (3) to (5),
201 inclusive, of this subsection, for the hospital fiscal year commencing
202 October 1, 1999, and for each subsequent fiscal year, no adjustment of
203 disproportionate share payments to hospitals for purposes of final
204 settlement shall be determined or implemented.

205 (9) For the quarter ending September 30, 2001, no negative
206 adjustment to the disproportionate share payments to hospitals for
207 purposes of implementing the final one-quarter of the
208 disproportionate share final settlement for the hospital fiscal year
209 commencing October 1, 1998, shall be made. Any hospitals with a

210 positive adjustment to the disproportionate share payments for
211 purposes of implementing the remaining one-quarter of the hospital
212 fiscal year 1999 disproportionate share final settlement shall receive
213 payment of the adjustment through funds appropriated for said
214 purpose.

215 (10) The Department of Social Services may, within available
216 appropriations and with the approval of the Office of Health Care
217 Access and the Office of Policy and Management, make payment of
218 any final settlement amount determined to represent any and all
219 claims arising out of any incorrect payments to Yale-New Haven
220 Hospital for the fiscal quarter ending September 30, 1998, or the
221 hospital fiscal year ending September 30, 1999, or both. If such
222 incorrect payment, whether an overpayment or an underpayment, has
223 occurred as a result of the hospital's reporting incorrect information
224 and statistics to the Office of Health Care Access, the Office of Health
225 Care Access shall recompute the amount of any payments for the
226 indicated time periods, offsetting any underpaid amount by the
227 amount of any overpayment of funds for the indicated time period.
228 Yale-New Haven Hospital shall submit all information and
229 documentation determined necessary by the Office of Health Care
230 Access to make a final determination of the amounts due. Prior to the
231 release of any funds under this section, the hospital shall submit a
232 written release in a form satisfactory to the Secretary of the Office of
233 Policy and Management. The written release shall provide for
234 settlement of any and all claims which have been or could have been
235 brought challenging the amount of payment for the indicated periods.
236 Nothing in this section shall be construed to relieve the hospital from
237 any settlement or adjustments for any periods other than those
238 identified in this section.

239 (c) The Commissioner of Social Services is authorized to determine
240 exceptions, exemptions and adjustments in accordance with 42 CFR
241 413.40.

242 (d) Nothing in section 3-114i, subdivision (2) or (29) of subsection (a)

243 of section 12-407 of the 2008 supplement to the general statutes,
 244 subdivision (1) of section 12-408, section 12-408a, subdivision (5) of
 245 section 12-412 of the 2008 supplement to the general statutes,
 246 subdivision (1) of section 12-414, or sections 12-263a to 12-263e,
 247 inclusive, section 19a-646 of the 2008 supplement to the general
 248 statutes, 19a-659 of the 2008 supplement to the general statutes, as
 249 amended by this act, 19a-662 or 19a-669 to 19a-670a, inclusive, as
 250 amended by this act, 19a-671 of the 2008 supplement to the general
 251 statutes, 19a-671a, 19a-672 of the 2008 supplement to the general
 252 statutes, 19a-672a, 19a-673 and section 19a-676, or section 1, 2, or 38 of
 253 public act 94-9* shall be construed to require the Department of Social
 254 Services to pay out more funds than are appropriated pursuant to said
 255 sections.

256 Sec. 4. (*Effective from passage*) Section 17b-107 of the general statutes
 257 is repealed.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	19a-659
Sec. 2	<i>from passage</i>	19a-669
Sec. 3	<i>from passage</i>	19a-670
Sec. 4	<i>from passage</i>	Repealer section

Statement of Legislative Commissioners:

In sections 1, 2 and 3 the reference to the 2008 supplement to the general statutes following the string citation was deleted for clarity.

HS *Joint Favorable Subst.-LCO*